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RUEHBU/AMEMBASSY BUENOS AIRES 5263  
RUEHCV/AMEMBASSY CARACAS 2501  
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RUEHMN/AMEMBASSY MONTEVIDEO 4620  
RUEHQT/AMEMBASSY QUITO 5131  
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TAGS: [PGOV](#) [PREL](#) [ECON](#) [SNAR](#) [MARR](#) [MASS](#) [MOPS](#) [PHUM](#) [BL](#)  
SUBJECT: DCM'S MEETING WITH DEFENSE MINISTER

Classified By: DCM Krishna Urs for reasons 1.4 (b) and (d).

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SUMMARY  
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¶1. (SBU) At a ninety minute lunch at the DCM's residence on May 14, Minister of Defense (MOD) Walker San Miguel expressed confidence that the GOB would make its 5,000-8,000 hectare eradication target this year. He suggested that the USG and GOB negotiate an agreement regarding transport via DEA aircraft of wanted drug traffickers (we believe we already have one), and also asked for assistance and training to deal with terrorist threats to civil aviation in Bolivia. Regarding milgroup activities, San Miguel asked for U.S. support in setting up a peacekeeping training center in Santa Cruz. The DCM asked for San Miguel's assistance in providing information on pending human rights cases, and the defense minister promised to provide the information. San Miguel also told the DCM that a group of GOB cabinet members are very much aware of Bolivia's obligations under its bilateral investment treaties (BITs) and will advocate that the country abide by its international commitments. End summary.

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NARCOTICS  
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¶2. (SBU) At a ninety minute lunch at the DCM's residence on May 14, Minister of Defense Walker San Miguel expressed confidence that the GOB would make its 5,000-8,000 hectare eradication target this year. San Miguel noted that he had met May 14 with the president, along with the military command, in their regular Monday meeting. San Miguel said Morales discussed the status of eradication efforts in the Yungas (still slow but improving), the fate of the base in Caranavi that the USG helped to reconstruct (UMOPAR will keep; GOB would like NAS and milgroup assistance in expanding facilities for military forces to be used in eradication), and the GOB's desire to begin eradication (perhaps sometime this summer) in Madidi National Park.

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COLOMBIAN TRAFFICKER  
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¶3. (SBU) San Miguel suggested to the DCM that the USG and GOB negotiate an agreement regarding transport via DEA aircraft of wanted drug traffickers. He characterized the deportation of Colombian trafficker Eduardo Hormanza Londono as "positive," saying it will serve as a deterrent to other major traffickers. He said he had authorized the DEA flight from Buenos Aires, and noted that negative fallout for the Embassy could have resulted from the incident, particularly if the press reaction had been more negative. The DCM responded that in the future, it would be helpful for the GOB to publicly say that it had requested U.S. assistance as a means of providing some political cover.

¶4. (C) San Miguel also asked for assistance and training to deal with terrorist threats to civil aviation in Bolivia. The MOD said that the bomb threat made against the commercial aircraft on which Hormanza had originally been traveling had heightened GOB concerns about aviation security. He wondered if the USG could provide some training to the Bolivian Air Force, which is charged with aviation security. The DCM responded that TSA had recently visited Bolivia and had inspected the airport, and could perhaps reach out to the Air Force on its next visit to Bolivia. The DCM then noted that a major justification for the now-defunct counterterrorism unit (CT) had been to deal with terrorist threats, including threats to civil aviation. (Note: The GOB disbanded the U.S. supported and trained CT unit after the Embassy pulled its financial support due to the unit's questionable leadership. End note). San Miguel said that there had been problems with people in the unit who had a political agenda. He said that the GOB wanted to put together a new unit, based in La Paz instead of Santa Cruz, and that it would need training.

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MILGROUP ACTIVITIES  
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¶5. (SBU) Regarding milgroup activities, San Miguel asked for U.S. support in setting up a peacekeeping training center in Santa Cruz. San Miguel thanked the USG for early expressions of support for the GOB's new peacekeeping facility. The DCM suggested that the GOB might enhance its center by making it a center of excellence focusing on some aspect of peacekeeping. San Miguel sounded very interested, saying that the GOB would like to focus on training engineering battalions, since these would also be useful in reconstruction within Bolivia after natural disasters. San Miguel also said he would like to accompany the Ambassador to the Puerto Suarez Medrete on May 29.

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HUMAN RIGHTS  
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¶6. (SBU) The DCM asked for San Miguel's assistance in providing information on pending human rights cases, and the defense minister promised to provide the information. The MOD promised to task a lawyer in the defense ministry to prepare an update. He commented, however, that the most interesting case on the list was the October 2003 violence which coincided with ex-President Gonzalo "Goni" Sanchez de Lozada's fall from power. He said that the USG was dragging its feet on notifying Goni and moving that case forward.

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FOREIGN INVESTMENT  
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¶7. (C) San Miguel also told the DCM that many GOB cabinet members are very aware of the GOB's international commitments. "We are working to ensure that we do not violate the terms of our bilateral investment agreements," he said. The MOD said the decision to leave ICSID (CIADI in Spanish) and review the BITs had resulted from GOB frustration with difficulty of recovering ENTEL. ENTEL had told the GOB that it was ready to sell; as a result the GOB issued a decree setting aside a one month negotiation period.

ENTEL then filed a letter notifying ICSID about a potential dispute, which applied pressure to the GOB. As a result, the president decided that the GOB would leave ICSID and then, under the prodding of Trade Advisor Pablo Salon, review the BITS. San Miguel said, however, that there were a number of members of the cabinet who are acutely aware of the GOB's obligations under the BITS. Intimating a gap between Salon and many cabinet members, San Miguel said that he (and others) would ensure that the GOB abides by its commitments. He said they would not denounce the agreement until legally entitled to do so (2011 in the case of the U.S. BIT) and would honor grandfather clauses. San Miguel also said that U.S. companies are not the target of any of this GOB declaration, which was provoked by frustration with ENTEL.

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COMMENT  
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18. (C) A well-established lawyer (and a political survivor and even something of an opportunist) Walker San Miguel is a long time member of the Bolivian political establishment. He comes to the government not from Morales' MAS party but rather from a middle class coalition partner, the Movement without Fear led by La Paz Mayor Juan del Granado. San Miguel's willingness to engage productively with the Embassy is not typical of GOB ministers but neither as a minister from a coalition partner is he particularly able to follow up on his commitments. End comment.  
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